

# Rules & Regulations Implementing Governor's Executive Order 98-04

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STATE OF ARKANSAS  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF ACCOUNTING

**RULES AND REGULATIONS**  
**IMPLEMENTING GOVERNOR'S EXECUTIVE ORDER 98-04**

Pursuant to the authority vested in the Department of Finance and Administration by Ark. Code Ann. §§ 19-11-217, 21-5-207, and 25-8-102, and in the Chief Fiscal Officer of the State by Ark. Code Ann. § 19-4-105, and by the promulgation of Executive Order 98-04, and in compliance with Ark. Code Ann. § 25-15-204 and Ark. Code Ann. § 10-3-309, the Director of the Department of Finance and Administration, with the approval of the Governor, does hereby promulgate the following rules and regulations for the enforcement and administration of Executive Order 98-04, to take effect ten (10) days after filing.

**1. DEFINITIONS** – For purposes of these regulations, unless otherwise required by the context, the following definitions apply:

A. AGENCY shall mean every agency, board, commission, department, division, institution, and other office of state government located within the executive branch of government and under the control of the Governor. Agency shall also include state-supported colleges and universities.

B. BOARD OR COMMISSION MEMBER shall mean any person who is an appointed member of a state board or commission, whether appointed by a member of the legislative, executive, or judicial branches of government, or otherwise.

C. COMPETITIVE BID shall mean a method of procurement in which the purchase price exceeds one thousand dollars (\$1,000) and is less than or equal to ten thousand dollars (\$10,000). Bids must be obtained from at least three vendors whenever possible. Bids may be obtained in written form or by telephone.

D. COMPETITIVE SEALED BID shall mean a method of procurement in which the purchase price exceeds ten thousand dollars (\$10,000). It requires issuance of an Invitation to Bid, public notice, public opening at a pre-designated time and place, and award to the lowest responsive and responsible bidder.

E. CONSTITUTIONAL OFFICER shall mean Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Attorney General, Commissioner of State Lands, and Auditor of State.

F. CONTRACT shall mean any agreement entered into by and between a state agency and an individual or entity pursuant to which the agency agrees to purchase or lease tangible personal property, real property, or services, or any agreement for the disposal of commodities and services. Contract includes, but is not limited to, awards and notices of award; contracts of a fixed price, cost, or incentive type; contracts providing for the issuance of job or task orders, leases, lease purchase agreements, letter contracts, purchase orders, and professional or consultant services contracts. Contract also includes supplemental agreements with respect to any of these categories.

G. CONTRACTOR shall mean any individual or entity who enters into a contract with a state agency. When the context requires, contractor shall mean the recipient of a discretionary grant.

H. ENTITY shall mean any type of business organization other than an individual, including, but not limited to, a corporation, partnership, limited liability company, or joint venture.

I. FORMER BOARD OR COMMISSION MEMBER shall mean any person who was a board or commission member within two years prior to entering into any contract with or receiving any discretionary grant awarded by a state agency.

J. FORMER CONSTITUTIONAL OFFICER shall mean any person who was a Constitutional Officer within two years prior to entering into any contract with or receiving any discretionary grant awarded by a state agency.

K. FORMER MEMBER OF THE GENERAL ASSEMBLY shall mean any person who was a member of the General Assembly within two years prior to entering into any contract with or receiving any discretionary grant awarded by a state agency.

L. FORMER STATE EMPLOYEE shall mean any person who was a state employee of any state agency within two years prior to entering into any contract with or receiving any discretionary grant awarded by a state agency.

M. GRANTS shall mean all appropriations made by the General Assembly from state, federal, or other moneys for educational assistance, welfare grants, rehabilitation services, aid to counties and municipalities, and to all other special appropriations which have for their purpose the appropriating of state, federal, or other moneys for public benefits. For purposes of these Regulations, a discretionary grant is a grant in which the recipient of the grant funds or the formula for the grant award is not specifically stated in the legislation authorizing the grant.

N. IMMEDIATE FAMILY MEMBER shall mean an individual's spouse, children of that individual or his or her spouse, and brothers, sisters, or parents of the individual or his or her spouse.

O. INDIVIDUAL shall mean one particular person.

P. JOB CREATED OR ENHANCED BY LEGISLATION shall mean any regular salary or extra-

help position created by legislation or any position previously created by legislation for which the salary was increased above normal salary guidelines, or was upgraded or reclassified.

Q. LEASE shall mean a contract by which an individual or entity conveys to another an interest in real property or tangible personal property for a designated period of time for a specified rent or other compensation. Lease shall include transactions in which a transfer of title or possession of tangible personal property occurs, such as a license transaction.

R. LEASE-PURCHASE AGREEMENT shall mean a lease containing a purchase option providing that the lessee's periodic payments, or parts thereof, may be applied to the rent required and to the payments required to purchase the property, upon lessee exercising the purchase option; a conditional sales contract.

S. MEMBERS OF THE GENERAL ASSEMBLY shall mean member(s) of the Arkansas House of Representative or of the Arkansas Senate. The term "Legislator," when used in the Regulations, shall have the same meaning.

T. OFFICE OF DISCLOSURE AND REVIEW shall mean that office within the Department of Finance and Administration which shall be responsible for receiving information required to be reported by agencies to the Office, maintaining all such information, and reporting all such information, as required by the terms of Executive Order 98-04, to the Governor and the Legislative Council.

U. POSITION OF CONTROL shall mean the possession, direct or indirect, of the power to direct or cause the direction of the purchasing policies of an entity, or the power to exercise a deciding influence over the management of the entity.

V. PURCHASE AGREEMENT shall mean any written instrument evidencing the agreement of an agency to purchase tangible personal property or services from a vendor.

W. REQUEST FOR PROPOSAL shall mean a method of procurement which requires issuance of a Request for Proposal, public notice, public opening at a pre-designated time and place, and evaluation of proposals to determine the relative abilities of bidders to perform, including the degree of technical or professional experience, and price is not the only consideration in selection of the bidder.

X. SOLE SOURCE shall mean a procurement or contractual agreement which by virtue of the performance specifications is available from a single source.

Y. STATE EMPLOYEE shall mean any employee of any state agency employed in a regular salary position or extra-help position not to include contract labor.

Z. SUBCONTRACTOR shall mean any person or entity entering into an agreement with a

state agency contractor, whereby the contractor assigns or otherwise delegates to the person or entity, for consideration, all, or any part, of the performance required of the contractor under the terms of the contract between the state agency and the contractor. For purposes of these Regulations, the term subcontractor shall apply to any assignment of an agreement with a state agency, specifically including, but not limited to, a contract, a purchase agreement, a lease, and a discretionary grant.

AA. TAXPAYER IDENTIFICATION NUMBER (TIN) shall mean the individual's Social Security Number or the entity's Federal Identification Number.

BB. VENDOR shall mean an individual or entity who offers commodities or services for sale.

## **2. DISCLOSURE REQUIRED**

A. INFORMATION REQUIRED TO BE DISCLOSED. For purposes of the requirements of these Regulations, disclosure is required of any of the following, whether current or former:

- (1) member of the Arkansas General Assembly,
- (2) constitutional officer,
- (3) board or commission member,
- (4) state employee,
- (5) the immediate family member, including the spouse, of any of (1) - (4), or
- (6) any entity in which any person designated in (1) - (5):
  - (i) holds any position of control, or
  - (ii) holds any ownership interest of 10% or greater.

B. DISCLOSURE BY INDIVIDUALS. Agencies shall require any individual who desires to enter into or renew a contract, lease, or purchase agreement, receive discretionary grant benefits, or obtain employment to disclose whether that individual is one of the persons designated in Section 2(A) (1) - (5).

C. DISCLOSURE BY ENTITIES. Agencies shall require any entity that desires to enter into or renew a contract, lease, or purchase agreement, or receive discretionary grant benefits to disclose whether any person designated in Section 2(A) (1) - (5) holds any position of control or holds any ownership interest of 10% or greater.

D. DISCLOSURE BY SUBCONTRACTORS. Agencies shall require any individual who, or entity that, desires to enter into or renew a contract, lease, or purchase agreement, or receive discretionary grant benefits to certify, in writing:

- (1) That, prior to entering any agreement with any subcontractor, as defined in these Regulations, the contractor shall require the subcontractor to complete a

**Contract and Grant Disclosure and Certification Form** (Form F-1, F-2).

- (2) That any agreement, current or future, between the contractor and a subcontractor shall contain the following language:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

- (3) That no later than 10 days after entering into any agreement with a subcontractor, the contractor shall transmit to the agency a copy of the **Contract and Grant Disclosure and Certification Form** completed and signed by the subcontractor and a statement containing the dollar amount of the subcontract.

**3. RESPONSIBILITY OF AGENCY TO OBTAIN DISCLOSURE.**

- A. DISCLOSURE MADE ON FORMS AVAILABLE FROM OFFICE OF DISCLOSURE AND REVIEW. Each agency shall inform any potential contractor or employee of the disclosure required by Section 2 and shall provide the potential contractor or employee with the appropriate disclosure form approved for that purpose by the Department of Finance and Administration, as amended from time to time, and available from the Office of Disclosure and Review. The current **Contract and Grant Disclosure and Certification Form** is located on Pages F-1, F-2 of the Regulations. The current **Employee Disclosure and Certification Form** is located on Page F-3 of the Regulations.
- B. DISCLOSURE IS CONDITION OF CONTRACT. The agency shall inform each potential contractor that disclosure is a condition of the contract and that the agency cannot enter into any contract for which disclosure is not made.
- C. CONTRACTOR'S DUTY TO OBTAIN DISCLOSURE OF SUBCONTRACTORS. The agency shall inform each potential contractor that:
- (1) disclosure is required to be a condition of any present or future subcontract;
- (2) the contractor must require any present or future subcontractor to complete and sign a **Contract and Grant Disclosure and Certification Form**; and

- (3) the contractor must transmit a copy of the subcontractor's disclosure form to the agency and a statement containing the dollar amount of the subcontract.

D. **GOODS AND SERVICES FOR WHICH DISCLOSURE MAY BE OBTAINED AFTER PURCHASE.** Certain goods and services are exempt from the requirement that disclosure be obtained prior to entering into the contract by virtue of the necessity for obtaining these goods or services expediently. Example: emergency procurements authorized by Ark. Code Ann. § 19-11-233. The exemption applies only to the requirement that the agency obtain disclosure prior to entering the contract. The agency is not exempt from the requirement of obtaining disclosure as soon as reasonably possible and reporting any contract that would otherwise be subject to reporting to the Office of Disclosure and Review.

#### **4. PROHIBITED CONTRACTS AND GRANTS; PERMITTED CONTRACTS AND GRANTS.**

A. **PROHIBITED CONTRACTS AND GRANTS.** Unless an exception in Section 4(C) applies, agencies are prohibited from entering into or renewing contracts with, or awarding discretionary grants to, current or former:

- (1) members of the Arkansas General Assembly,
- (2) constitutional officers,
- (3) board or commission members,
- (4) state employees,
- (5) the immediate family member, including the spouse, of any of (1) - (4).
- (6) any entity in which any person designated in (1) - (5):
  - (1) holds any position of control, or
  - (2) holds any ownership interest of 10% or greater.

B. **PROFESSIONAL OR CONSULTANT SERVICES CONTRACTS BETWEEN AGENCIES AND STATE EMPLOYEES PROHIBITED.** Agencies are prohibited from entering into or renewing professional or consultant services contracts with state employees. This prohibition is absolute, and none of the exceptions contained in Section 4(C) allow agencies to enter into professional or consultant services contracts with state employees.

C. **CONTRACTS AND GRANTS, OTHERWISE PROHIBITED, PERMITTED IF CONDITIONS SATISFIED.** Agencies may enter into or renew contracts with, or award discretionary grants to, any of the persons or entities listed in Section 4(A), provided that, in addition to the reporting requirements of Section 8, the following conditions are satisfied:

- (1) **COMPETITIVE SEALED BID OR REQUEST FOR PROPOSAL.** An agency may enter into or renew a contract, lease, or purchase agreement with

any individual or entity listed in Section 4(A), which contract is the result of competitive sealed bidding or a request for proposal, without regard to the amount of the consideration.

- (2) **CONTRACTS LESS THAN OR EQUAL TO \$10,000 AND SUBJECT TO COMPETITIVE BIDDING.** An agency may enter into or renew a contract with any individual or entity listed in Section 4(A), which contract is subject to competitive bidding and for which the total consideration is less than or equal to \$10,000.
- (3) **CONTRACTS AND GRANTS LESS THAN OR EQUAL TO \$10,000 AND NOT SUBJECT TO COMPETITIVE SEALED BIDDING, REQUEST FOR PROPOSAL, OR COMPETITIVE BIDDING, AND FOR WHICH DISCLOSURE AND REPORTING IS CERTIFIED.** An agency may enter into or renew a contract, lease, or purchase agreement with, or award a discretionary grant to, any individual or entity listed in Section 4(A) which is not subject to either competitive sealed bidding, request for proposal, or competitive bidding, and for which the total consideration for the contract, or the total grant award, is less than or equal to \$10,000; provided, however, the signature of the disbursing officer on each voucher shall serve as certification that the contracting agency has complied with the disclosure and reporting requirements of these Regulations.
- (4) **CONTRACTS AND GRANTS GREATER THAN \$10,000 AND NOT SUBJECT TO COMPETITIVE SEALED BIDDING OR REQUEST FOR PROPOSAL APPROVED BY CHIEF FISCAL OFFICER OF THE STATE.**  
An agency may enter into or renew a contract, lease, or purchase agreement with, or award a discretionary grant to, any individual or entity listed in Section 4(A), which contract or grant is not subject to competitive sealed bidding or a request for proposal, and for which the total consideration for the contract, or the total grant award, is greater than \$10,000, only upon the prior written approval of the Chief Fiscal Officer of the State.

##### **5. AGENCY APPROVAL OF CONTRACTS AND GRANTS.**

- A. **NO CONTRACT FOR COMMODITIES OR SERVICES AND NO DISCRETIONARY GRANT SHALL BE AWARDED OR RENEWED BY ANY AGENCY TO ANY CONTRACTOR WHO HAS NOT DISCLOSED AS REQUIRED IN SECTION 2, WITH THE EXCEPTION OF CONTRACTS IN SECTION 3(D) FOR GOODS AND SERVICES FOR WHICH DISCLOSURE MAY BE OBTAINED AFTER PURCHASE.**
- B. **AGENCY'S DUTY TO VERIFY THAT CONTRACTS AND GRANTS NOT**



PROHIBITED. Prior to the award or renewal of any contract or discretionary grant, the agency shall review the contract or grant and verify:

- (1) that the **Contract and Grant Disclosure and Certification Form** has been completed, signed, and included in the contract or grant documents, and
- (2)
  - (a) that the disclosure did not identify any of the individuals or entities designated in Section 4(A); or
  - (b) that the conditions in Section 4(B) have been satisfied to exclude the contract or grant from the prohibition of Section 4(A).

- C. **REQUIRED CONTRACT LANGUAGE.** Every contract or discretionary grant executed by an agency shall include any and all disclosures as a term of the contract or grant. Agencies shall include the following language in any contract, lease, grant, or any assignment of the terms of the agreement to any individual or entity:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

**6. PROHIBITED EMPLOYMENT; PERMITTED EMPLOYMENT.**

- A. **PROHIBITED EMPLOYMENT.** Unless an exception in Section 6 (B) applies, agencies are prohibited from hiring:

- (1) members of the Arkansas General Assembly during their term of office,
- (2) constitutional officers during their term of office,
- (3) former members of the Arkansas General Assembly in any job created or enhanced by legislation in the two-year period immediately preceding the end of that person's term of office,
- (4) former constitutional officers in any job created or enhanced by legislation in the two-year period immediately preceding the end of that person's term of office,
- (5) state employees, who are applying for employment in a position in addition to the position currently held, and
- (6) the immediate family member, including the spouse, of any of (1) - (5).

- B. **EMPLOYMENT, OTHERWISE PROHIBITED, PERMITTED WITH APPROVAL OF CHIEF FISCAL OFFICER OF THE STATE.** Agencies may hire immediate

family members, including spouses, of members of the Arkansas General Assembly, constitutional officers, and state employees, with the prior written approval of the Chief Fiscal Officer of the State.

- (1) Agencies may request approval to hire individuals in B, above, by completing the **Employment of Family Members Form** located on Page F-4 of the Regulations. The request should be submitted to the Chief Fiscal Officer of the State.
- (2) In addition to the **Employment of Family Members Form**, each request must include the following: state application and/or resume, **Employee Disclosure and Certification Form**, job description, and documentation to support reasons why other applicants were not selected.
- (3) The Chief Fiscal Officer of the State shall review the agency request and recommend approval or disapproval. Upon completion of the review process, the hiring official will be notified.

- C. AGENCIES MAY HIRE A STATE EMPLOYEE WHOSE INTENT IS TO TRANSFER FROM ONE AGENCY OR POSITION TO ANOTHER. The prohibition in Section 6(A) against hiring state employees is intended only to prevent a state employee from being hired in a second job or position while continuing to be employed in the first job or position. An agency may hire a state employee who applies for employment with the same agency in a different position or with a different agency and who intends to leave the current job or position, following notice to the current agency employer, prior to beginning the new job or position.

## **7. AGENCY APPROVAL OF EMPLOYMENT.**

- A. NO INDIVIDUAL, WHO HAS NOT DISCLOSED AS REQUIRED IN SECTION 2, SHALL BE HIRED BY ANY AGENCY.
- B. AGENCY'S DUTY TO VERIFY THAT EMPLOYMENT NOT PROHIBITED. Prior to hiring any individual, the agency shall review the application and verify:
- (1) that the applicant has completed and signed the **Employee Disclosure and Certification Form**, and
  - (2) (a) that the disclosure did not identify any of the individuals or entities designated in Section 6(A); or
  - (b) that the **Employment of Family Members Form** has been signed, signifying the approval of the Chief Fiscal Officer of the State as

required in Section 6(B).

**8. RESPONSIBILITY OF AGENCY TO REPORT.**

- A. EMPLOYMENT OF FORMER LEGISLATORS OR CONSTITUTIONAL OFFICERS. Agencies shall report the hiring of any former legislator or former constitutional officer to the Office of Disclosure and Review. The report must include the following: applicant's name, name of hiring official, position applicant applied for, pay grade or salary, beginning salary, and certification that the new employee meets or exceeds the qualifications for the position.
- B. EMPLOYMENT OF IMMEDIATE FAMILY MEMBERS OF LEGISLATORS, CONSTITUTIONAL OFFICERS, AND STATE EMPLOYEES. Agencies shall report the hiring of any immediate family member, including spouse, of legislators, constitutional officers, and state employees to the Office of Disclosure and Review. The report must include the following: applicant's name, name of hiring official, position applicant applied for, pay grade or salary, beginning salary, and certification that the new employee meets or exceeds the qualifications for the position.
- C. CONTRACT OR GRANT AWARDED TO PERSONS OR ENTITIES IDENTIFIED IN Section 4(A). Agencies shall report any contract, lease, purchase agreement, or discretionary grant awarded to any person or entity listed in Section 4(A) to the Office of Disclosure and Review.
  - (1) The report shall include a copy of the complete contract, including, but not limited to, professional or consultant services contract agreements, lease agreements, and grants.
  - (2) The report shall be required regardless of the amount of the consideration for the contract or the grant award.
  - (3) For any contract, lease, purchase agreement, or grant awarded pursuant to Section 4(B)(3) (i.e., less than or equal to \$10,000, not subject to either competitive bidding or competitive sealed bidding), the requirement of the signature of the disbursing officer on each voucher certifying that the agency has complied with the disclosure and reporting requirements does not relieve the agency of the responsibility to report all required contracts to the Office of Disclosure and Review.
- D. SUBCONTRACT AWARDED TO PERSONS OR ENTITIES IDENTIFIED IN Section 4(A). Agencies shall report to the Office of Disclosure and Review any

subcontract to any person or entity listed in Section 4(A), as reported to the agency by the contractor. The report shall include a copy of the **Contract and Grant Disclosure and Certification Form** signed by the subcontractor and the contractor's statement of the dollar amount of the subcontract.

- E. EMPLOYMENT REPORT NOT REQUIRING APPROVAL. All reports of employment made pursuant to Section 8(A) shall be transmitted to the Office of Disclosure and Review no later than 30 days following acceptance of the employment offer.
- F. EMPLOYMENT REPORT REQUIRING APPROVAL. All reports of employment made pursuant to Section 8(B) shall be transmitted to the Office of Disclosure and Review no later than 10 days following approval by the Chief Fiscal Officer of the State on the **Employment of Family Members Form**.
- G. CONTRACT AND GRANT REPORT. All reports of contracts and grants made pursuant to Section 8(C) shall be transmitted to the Office of Disclosure and Review no later than 10 days following the award of the contract or grant.
- H. SUBCONTRACT REPORT. All reports of subcontracts made pursuant to Section 8(D) shall be transmitted to the Office of Disclosure and Review no later than 10 days following the receipt of the disclosure by the contractor to the agency.

**9. REPORTS BY OFFICE OF DISCLOSURE AND REVIEW TO GOVERNOR AND LEGISLATIVE COUNCIL.** The Office of Disclosure and Review shall be the central repository for disclosure information reported to the office by agencies. The office shall compile the reported information for monthly reporting to the Governor and Legislative Council.

**10. SOLE SOURCE PROCUREMENT.**

- A. Agencies shall review all sole source contractual agreements to ensure compliance with the purpose and intent of Executive Order 98-04.
- B. All professional or consultant services contracts that indicate a sole source shall include written justification for using the sole source and shall be included in the contract.
- C. The State Purchasing Director or a designee above the level of an agency purchasing official must determine in writing that it is not practicable to use other than the required or designated commodity or service.

**11. AGENCIES TO KEEP ADEQUATE RECORDS; PRESERVATION OF RECORDS;**

## **EXAMINATION OF RECORDS.**

- A. **RECORDS REQUIRED.** All records, including the required supporting documents, shall be considered a part of each agency contract, lease, grant, or other agreement, and shall be retained in the files of the agency.
- B. **PRESERVATION OF RECORDS.** All records pertaining to transactions involving agency purchases or discretionary grants made by the agency shall be preserved for a period of not less than 5 years from the expiration of the contract, and as required by Ark. Code Ann. § 13-4-101 et seq.
- C. **EXAMINATION OF RECORDS.** All of the foregoing records shall be made available for examination upon request of an authorized representative of the Office of Disclosure and Review. The purpose of the examination is to verify that agencies have complied with Executive Order 98-04 and these Regulations.

## **12. FAILURE TO DISCLOSE AND REPORT; VIOLATIONS.**

- A. **CONDITIONS WHICH CONSTITUTE MATERIAL BREACH OF CONTRACT.** The failure of any contractor or grantee, whether individual or entity, to satisfy any of the following conditions, in addition to those conditions provided in existing law, may, at the option of the agency, be considered a material breach of the contract or the conditions upon which the grant is awarded:
  - (1) the person or entity has failed to disclose any information required by Section 2(A), or has otherwise violated any rule, regulation, or policy adopted pursuant to Executive Order 98-04;
  - (2) the person or entity has failed to include as a condition in any agreement with any subcontractor the disclosure requirements of Section 2(D); or
  - (3) the person or entity has failed to obtain and report disclosure obtained from a subcontractor at any time during the term of the contract.
- B. **OPTIONS AVAILABLE TO AGENCY UPON NON-FRAUDULENT OR NOT IN-BAD-FAITH BREACH BY CONTRACTOR.** If it is determined that a contractor or grantee, not acting fraudulently or in bad faith, has failed to satisfy any of the conditions in Section 12(A), an agency may, at its option:
  - (1) **PRIOR TO AWARD OF CONTRACT OR GRANT.**
    - (a) Cancel the solicitation or proposed award; or

- (b) Revise the solicitation or proposed award to satisfy the conditions which were previously unsatisfied, and proceed with the contract or grant award, if the agency determines that doing so is in the best interests of the state.

(2) SUBSEQUENT TO AWARD OF CONTRACT OR GRANT.

- (a) Ratify and affirm the contract or grant, if the agency determines that doing so is in the best interests of the state; or
- (b) Declare the contractor or grantee to be in default and terminate the contract.

C. RATIFICATION OF CONTRACT OR GRANT.

- (1) Prior to any determination that ratification is the appropriate option, the agency shall prepare a written justification for the determination that ratification of the contract is in the best interests of the state.
- (2) In connection with ratification of the contract or grant, the agency shall:
  - (a) Require the contractor to complete a Contract and Grant Disclosure and Certification Form containing any information required by Section 2(A) that the contractor or grantee previously failed to disclose; or
  - (b) Require the contractor to amend the subcontract to include as a condition in the subcontract the disclosure requirements of Section 2(D); or
  - (c) Require the contractor to provide the subcontractor disclosure; and
  - (d) Submit all contracts and grants in Section(4)(C)(4) for which approval is required, to the Chief Fiscal Officer of the State for approval of the ratification of the contract or grant. The request for approval should indicate that the contract or grant was previously approved, that the agency subsequently discovered that the contractor or grantee failed to meet one or more of the disclosure and reporting requirements, and that the agency determined that ratification of the contract or grant is in the best interests of the state. The request should include the written justification for the agency's determination that ratification is in the best interests of the state.

- D. **TERMINATION OF CONTRACT OR GRANT.** The election of the option to terminate the contract or grant for any failure of a contractor or grantee to satisfy any of the conditions in Section 12(A) should be determined in writing by the designated agency official. The procedures for resolution of contract and breach of contract controversies and any other applicable procedures contained in the State of Arkansas Purchasing Law and Regulations promulgated by the Office of State Purchasing shall apply in the event of a termination of any contract or grant as a result of breach of the contract or failure to satisfy the conditions of the grant as provided in Section 12(A).
- E. **OPTIONS AVAILABLE TO AGENCY UPON FRAUDULENT OR BAD FAITH BREACH BY CONTRACTOR.** Upon discovery that a contractor or grantee, who has acted fraudulently or in bad faith, has failed to satisfy any of the conditions in Section 12(A), an agency may, at its option:
- (1) Declare the contract or grant to be null and void; or
  - (2) Direct the individual or entity awarded the contract or grant to proceed with performance of the contract and pay such damages, if any, as may be appropriate if such action shall be in the best interests of the state.
- F. **REPORT OF CONTRACTS RATIFIED, TERMINATED, OR DECLARED VOID.** All contracts which are ratified pursuant to Section 12(C), terminated pursuant to Section 12(D), or declared null and void pursuant to Section 12(E), shall be reported by the agency to the Office of Disclosure and Review no later than 10 days following ratification, termination, or declaration of nullity by the agency.

**13. AGENCIES' NOTIFICATION TO EMPLOYEES OF EMPLOYEE DISCLOSURE OF BENEFITS REQUIREMENTS.**

- A. **NOTICE TO EMPLOYEES.** Each agency shall provide written notice to all employees of the employee disclosure requirements contained in Ark. Code Ann. §19-11-706, along with the civil and administrative remedies provided in Ark. Code Ann. §19-11-712, which may be imposed upon employees who breach these disclosure requirements, and the criminal penalties provided in Ark. Code Ann. § 19-11-702, upon conviction of a knowing violation of the disclosure requirements. The required **Employee Disclosure Requirements Notice** is located on Page F-5 of the Regulations.
- (1) Agencies shall distribute two copies of the **Employee Disclosure Requirements Notice**, along with a copy of Ark. Code Ann. §§ 19-11-706, 19-11-702 and 19-11-712, to current state employees within sixty (60) days of the effective date of these Regulations. The agency will distribute the Notice and statutes to each employee as an attachment to the employee's paycheck.

At the time of distribution, each employee must sign one copy of the Notice certifying that the employee received a copy of the Notice and statutes, and return the signed Notice to the agency.

- (2) Agencies shall provide the **Employee Disclosure Requirements Notice** to all potential applicants for agency employment. The Notice shall be considered to be part of the application, and the application will be deemed incomplete until the acknowledgment is signed and submitted by the applicant.
- (3) Agencies must maintain the employee's acknowledgement of receipt of the **Employee Disclosure Requirements Notice** in the employee's personnel file.
- (4) Agencies shall post a copy of Section 13 of the Regulations in a conspicuous place that is easily accessible to all employees.

B. **DISCLOSURE OF BENEFIT RECEIVED FROM CONTRACT.** All employees are required to report to the Director of the Department of Finance and Administration any benefit from any state contract with a business in which the employee has a financial interest, including:

- (1) Ownership of any interest or involvement in any business relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive, more than one thousand dollars (\$1,000) per year, or its equivalent;
- (2) Ownership of more than a five percent (5%) interest in any business; or
- (3) Holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

C. **FAILURE TO DISCLOSE.** If any agency determines that an employee knew or should have known of a benefit from any state contract with a business in which the employee has a financial interest, but such employee failed to disclose such benefit to the Director of the Department of Finance and Administration, the agency shall immediately report the violation to the Director of the Department of Finance and Administration, with a copy to the Office of Disclosure and Review.

#### D. REMEDIES AGAINST EMPLOYEES

- (1) In addition to existing civil and administrative remedies, the Director of the Department of Finance and Administration may impose, after notice and an opportunity for a hearing, any one (1) or more of the following for failure of



the employee to disclose:

- (a) Oral or written warnings or reprimands;
- (b) Forfeiture of pay without suspension;
- (c) Suspension with or without pay for specified periods of time; and
- (d) Termination of employment.

- (2) The value of anything received by an employee in breach of these restrictions shall be recoverable by the State.

- E. **CRIMINAL PENALTIES.** Any employee or non-employee who knowingly fails to disclose any benefit shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

#### **14. AGENCIES' NOTIFICATION OF RESTRICTIONS ON EMPLOYMENT OF PRESENT AND FORMER EMPLOYEES.**

- A. **NOTICE TO EMPLOYEES.** Each Agency shall provide written notice to all employees of the restrictions on employment of present and former employees contained in Ark. Code Ann. §19-11-709, along with the civil and administrative remedies provided in Ark. Code Ann. §19-11-712, which may be imposed upon employees who breach these restrictions, and the criminal penalties provided in Ark. Code Ann. § 19-11-702, upon conviction of a knowing violation of the restrictions. The required **Employment Restrictions Notice** is located on Page F-6 of the Regulations.

- (1) Agencies shall distribute two copies of the **Employment Restrictions Notice**, along with a copy of Ark. Code Ann. §§ 19-11-709, 19-11-702, and 19-11-712 to current state employees within sixty (60) days of the effective date of these Regulations. The agency will distribute the Notice and statutes to each employee as an attachment to the employee's paycheck. At the time of distribution, each employee must sign one copy of the Notice certifying that the employee received a copy of the Notice and statutes, and return the signed Notice to the agency.
- (2) Agencies shall provide the **Employment Restrictions Notice** to all potential applicants for agency employment. The Notice shall be considered to be part of the application, and the application will be deemed incomplete until the acknowledgment is signed and submitted by the applicant.
- (3) Agencies must maintain the employee's acknowledgement of receipt of the **Employment Restrictions Notice** in the employee's personnel file.
- (4) Agencies shall post a copy of Section 14 of the Regulations in a conspicuous

place that is accessible to all employees.

- (5) If any agency determines that an employee has violated these Employment Restrictions, such Agency shall immediately notify the Office of Disclosure and Review.

B. **CONTEMPORANEOUS EMPLOYMENT PROHIBITED.** No state employee involved in procurement for an Agency is allowed to also be the employee of any party contracting with the state agency by which the employee is employed.

C. **RESTRICTIONS ON FORMER EMPLOYEES IN MATTERS CONNECTED WITH THEIR FORMER DUTIES.**

- (1) No former employees shall knowingly act as a principal or agent for anyone other than the state in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the state is a party or has a direct and substantial interest.

- (2) No former employee, within one (1) year after cessation of the former employee's official responsibility in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

shall knowingly act as a principal or as an agent for anyone other than the state in matters that were within the former employee's official responsibility, where the state is a party or has a direct or substantial interest.

D. **DISQUALIFICATION OF PARTNERS**

- (1) No person who is a partner of an employee shall knowingly act as a principal

or as an agent for anyone other than the state in connection with any:

- (a) Judicial or other proceeding, application, request for a ruling, or other determination;
- (b) Contract;
- (c) Claim; or
- (d) Charge or controversy

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise or that is the subject of the employee's official responsibility, where the state is a party or has a direct and substantial interest.

- (2) No person who is a partner of a former employee shall knowingly act as a principal or as an agent for anyone other than the state where such former employee is barred under the restrictions on former employees in matters connected with their former duties (see paragraph C).

E. **SELLING TO STATE AFTER TERMINATION OF EMPLOYMENT.** Former employees are prohibited (unless the former employee's last annual salary did not exceed \$10,500) from engaging in selling or attempting to sell commodities or services to the state for one (1) year following the date employment ceased. This prohibition does not preclude a former employee from accepting employment with private industry solely because his employer is a contractor with this state nor does it preclude an employee, a former employee, or a partner of an employee or former employee from filing an action as a taxpayer for alleged violations of Ark. Code Ann. §19-11-701, et seq.

F. **REMEDIES AGAINST EMPLOYEES**

- (1) In addition to existing civil and administrative remedies, the Director of the Department of Finance and Administration may impose, after notice and an opportunity for a hearing, any one (1) or more of the following for breach of the employment restrictions:
  - (a) Oral or written warnings or reprimands;
  - (b) Forfeiture of pay without suspension;
  - (c) Suspension with or without pay for specified periods of time; and
  - (d) Termination of employment.
- (2) The value of anything received by an employee in breach of these restrictions shall be recoverable by the State.

- G. **CRIMINAL PENALTIES.** Any employee or non-employee who knowingly violates these employment restrictions shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

**15. AGENCIES AFFECTED; VOLUNTARY DISCLOSURE.**

- A. **AFFECTED AGENCIES.** The provisions of Executive Order 98-04, and these Regulations, shall apply to all agencies within the control of the Governor.
- B. **VOLUNTARY COMPLIANCE ENCOURAGED OF EXEMPT PERSONS AND AGENCIES.** The following persons, agencies, and other entities not subject to the control of the Governor are encouraged to voluntarily comply with Executive Order 98-04 and these Regulations: Members of the Legislature, any employees of, or positions in the Legislative branch of Arkansas State Government; the Justices of the Supreme Court, Judges of the Court of Appeals, Judges of the Circuit, Chancery or Circuit/Chancery Courts, Judges of the Inferior Courts, or any employee of, or position in the Judicial branch of Arkansas State government; elective officers of the State and any employee of the offices of Lieutenant Governor, Attorney General, Secretary of the State, State Auditor, Land Commissioner, and State Treasurer; members and staff of multi-member boards, commissions or committees that are exempt by law from the provisions of the "Arkansas Purchasing Law," Ark. Code Ann. § 19-11-201 et seq.; and employees of the Arkansas Highway and Transportation Department and the Arkansas Game and Fish Commission.
- C. **PROCEDURE FOR VOLUNTARY COMPLIANCE.** Any person, agency, or other entity desiring to voluntarily comply should contact the Office of Disclosure and Review at (501) 682-5407 to obtain a copy of these Regulations and to notify the Office of the person's or agency's intent to voluntarily comply.

**16. REGULATIONS SUPPLEMENTAL TO AND NOT IN ABROGATION OF CURRENT REQUIREMENTS OF AGENCIES IN BOTH LAW AND REGULATIONS.** No provision of these Regulations shall be considered to repeal any requirement of existing law or regulations promulgated pursuant to existing law. The agency requirements contained in these Regulations are supplemental to all current agency responsibilities.

# CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

F-1

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

TAXPAYER ID #:	SOCIAL SECURITY NUMBER -----	OR	FEDERAL ID NUMBER -----	SUBCONTRACTOR: <input type="checkbox"/> Yes <input type="checkbox"/> No	SUBCONTRACTOR NAME:
TAXPAYER ID NAME:				IS THIS FOR: <input type="checkbox"/> Goods? <input type="checkbox"/> Services? <input type="checkbox"/> Both?	
YOUR LAST NAME:		FIRST NAME:		M.I.:	
ADDRESS:					
CITY:		STATE:		ZIP CODE:	COUNTRY:

**AS A CONDITION OF RENEWING OR OBTAINING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:**

## FOR INDIVIDUALS

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position or Job Held [i.e., senator, representative, secretary of state, data entry clerk, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	(1)	(2)					
Constitutional Officer	(3)	(4)					
State Board or Commission Member	(5)	(6)					
State Employee	(7)	(8)					

☐ (9) None of the above applies

## FOR AN ENTITY (BUSINESS)

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position or Job Held [i.e., senator, representative, secretary of state, data entry clerk, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	% Ownership Interest and/or Position of Control
General Assembly	(A)	(B)					
Constitutional Officer	(C)	(D)					
State Board or Commission Member	(E)	(F)					
State Employee	(G)	(H)					

☐ (I) None of the above applies

**\*NOTE: PLEASE LIST ADDITIONAL DISCLOSURES ON SEPARATE SHEET OF PAPER IF MORE SPACE IS NEEDED**

## CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

**The failure of any individual or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose or in violation to all legal remedies available to the Agency under the provisions of the existing law.**

As an additional condition of obtaining or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:  
  

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

**I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.**

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Entity Contact Person \_\_\_\_\_ Title \_\_\_\_\_ Phone No. \_\_\_\_\_

<b>AGENCY USE ONLY</b>				
Agency Number	Agency Name	Agency Contact Person	Agency Phone No.	Contract or Grant No.

FORMS AVAILABLE FROM OFFICE OF DISCLOSURE AND REVIEW (501) 682-5407

**\*NOTE: PLEASE LIST ADDITIONAL DISCLOSURES ON SEPARATE SHEET OF PAPER IF MORE SPACE IS NEEDED**

**STATE OF ARKANSAS**  
Department of Finance and Administration

**ADDENDUM TO ARKANSAS EMPLOYMENT APPLICATION**

**EMPLOYEE DISCLOSURE AND CERTIFICATION FORM**

In Compliance with Governor's Executive Order 98-04,  
Governor's Policy Directive No. 8, and  
Arkansas Code Annotated § 21-8-304

I understand that to be eligible for employment with the State of Arkansas, I must be in compliance with Governor's Executive Order 98-04, Governor's Policy Directive No. 8 and Arkansas Code Annotated § 21-8-304. I therefore certify that:

1. I have listed below if I am a current or former member of the Arkansas General Assembly, current or former constitutional officer, or state employee.
2. I have listed below if my spouse or the brother, sister, parent, or child of me or my spouse is a member of the Arkansas General Assembly, constitutional officer, or state employee.
3. I understand that I cannot enter into any Professional Consulting Services Contracts with any state agency.

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse *is* a current or former: member of the General Assembly, Constitutional Officer, or State Employee:

Position Held	Mark (✓)		Name of Position or Job Held [i.e., senator, representative, secretary of state, data entry clerk, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	(1)	(2)					
Constitutional Officer	(3)	(4)					
State Employee	(7)	(8)					

☐ <sup>(9)</sup> None of the above applies

Name (*Please Print*)

Social Security Number

Signature

Date

**STATE OF ARKANSAS**  
Department of Finance and Administration

**EMPLOYMENT OF FAMILY MEMBERS**

Governor's Executive Order 98-04 prohibits the hiring of spouses and immediate family members of members of the General Assembly, Constitutional Officers, and state employees without the prior written approval of the Chief Fiscal Officer of the State. Pursuant to Arkansas Code Annotated § 21-8-402(4), Immediate Family Member means an individual's spouse, children of that individual or his or her spouse, or brothers, sisters, or parents of the individual or his or her spouse. Arkansas Code Annotated § 21-8-304 prohibits public officials and state employees from using their positions to secure special privileges or exemptions for themselves or family members that are not available to others. Governor's Policy Directive No. 8 prohibits relatives from working in any capacity where one relative might supervise another.

Therefore, in order to avoid either a possible violation of A.C.A. § 21-8-304 and the above-referenced policies or the appearance of a conflict of interest, prior to the hiring of an immediate family member, documentation must be submitted to the Chief Fiscal Officer of the State certifying that customary hiring procedures were followed by the hiring official including, but not limited to, the requirement that the applicant meets the qualifications necessary to perform the duties of the position for which the applicant is being considered. The Chief Fiscal Officer of the State will review the certification and recommend approval or disapproval. Upon completion of the review process, the hiring official will be notified by the Chief Fiscal Officer.

Agency, Institution, Constitutional Officer:

Applicant's Name:

Social Security Number:

Name of Hiring Official:

Is the applicant related to the (a) applicant's supervisor or (b) applicant's hiring official? ☐ Yes ☐ No

If yes, then what is the relationship?

Applicant's Address:

Position Applicant Applied For:

Position No:

Pay Grade:

Annual Salary \$

*I hereby certify that the above named applicant meets the education and experience qualifications (including knowledge, abilities, and skills) required to perform the duties of the position for which they are being considered.*

**Signature:**

**Institution/Agency Head or Constitutional Officer**

**Phone Number**

☐ **Approved**

☐ **Disapproved**

**Chief Fiscal Officer of the State**

**Date**



**STATE OF ARKANSAS**  
Department of Finance and Administration

**ADDENDUM TO ARKANSAS EMPLOYMENT APPLICATION**

**EMPLOYEE DISCLOSURE REQUIREMENTS NOTICE**

Governor's Executive Order 98-04 requires agencies to notify employees that they must report any benefit obtained from a state contract by a business in which the employee has a financial interest. The employee must report this benefit to the Director of the Department of Finance and Administration. The report is required by Arkansas Code Annotated § 19-11-706.

A state employee has a "financial interest" in a business if he/she:

- (a) Has received within the past year, or is presently or in the future entitled to receive, more than one thousand dollars (\$1,000) per year, as a result of ownership of any part of the business or any involvement in the business; or
- (b) Owns more than a five percent (5%) interest in the business; or
- (c) Holds a position in the business such as an officer, director, trustee, partner, employee, or the like, or holds any position of management.

Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of Ark. Code Ann. § 19-11-706. In addition to existing civil and administrative remedies, Ark. Code Ann. § 19-11-712 allows the Director of the Department of Finance and Administration to impose, after notice and an opportunity for a hearing, any one or more of the following for failure of the employee to report:

- (a) Oral or written warnings or reprimands;
- (b) Forfeiture of pay without suspension;
- (c) Suspension with or without pay for specified periods of time; and
- (d) Termination of employment.

Pursuant to Arkansas Code Annotated § 19-11-702, any employee who shall knowingly fail to report such benefit to the director shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

*I certify that I have received a copy of Ark. Code Ann. §§ 19-11-706, 19-11-702 and 19-11-712, and this Notice. The Regulations promulgated to enforce Executive Order 98-04 contain additional information regarding this reporting requirement at Section 13, posted by the agency in a conspicuous place. I understand that it is my responsibility to comply with the requirement to report as explained in Ark. Code Ann. § 19-11-706, this Notice and the regulation.*

---

**Agency Name**

---

**Name of Employee (Please Print)**

---

**Social Security Number**

---

**Signature of Employee**

---

**Date**

**STATE OF ARKANSAS**  
Department of Finance and Administration

**ADDENDUM TO ARKANSAS EMPLOYMENT APPLICATION**

**EMPLOYMENT RESTRICTIONS NOTICE**

Governor's Executive Order 98-04 requires agencies to notify employees that Ark. Code Ann. § 19-11-709 restricts the employment of state employees under certain conditions, both during the time they are employed by the state and after they leave state employment, including:

- (1) employment of a current state employee involved in procurement by any party contracting with the state;
- (2) former employees from representing anyone other than the state under certain conditions in matters which the employee participated personally and substantially or which were within the former employee's official responsibility;
- (3) partners of a current or former state employee from representing anyone other than the state under certain conditions; and
- (4) selling to the state after termination of employment under certain conditions.

Any current or former state employee who violates any of these employment restrictions is in breach of the ethical standards of Ark. Code Ann. § 19-11-709. In addition to civil and administrative remedies, Ark. Code Ann. § 19-11-712 allows the Director of the Department of Finance and Administration to impose, after notice and an opportunity for a hearing, any one (1) or more of the following:

- (a) Oral or written warnings or reprimands;
- (b) Forfeiture of pay without suspension;
- (c) Suspension with or without pay for specified periods of time; and
- (d) Termination of employment.

Pursuant to Arkansas code Annotated §19-11-702, any employee who shall knowingly violate any of these restrictions shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both.

***I certify that I have received a copy of Ark. Code Ann. §§ 19-11-709, 19-11-702, and 19-11-712, and this Notice. The Regulations promulgated to enforce Executive Order 98-04 contain additional information regarding these employment restrictions at Section 14, which is posted by the agency in a conspicuous place. I understand that it is my responsibility to comply with the employment restrictions in Ark. Code Ann. § 19-11-709, this Notice, and the regulation.***

---

**Agency Name**

---

**Name of Employee (Please Print)**

---

**Social Security Number**

---

**Signature of Employee**

---

**Date**